

Franchise Tax Board
NO ANALYSIS REQUIRED

Author: Assm. Rev. & Tax Comm. Analyst: Jeff Garnier Bill Number: AB 1208
 Related Bills: See Legislative History Telephone: 845-5322 Amended Date: 06/17/99
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Conformity Act of 1999

- _____ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
 _____ TECHNICAL BILL -- No program or fiscal changes to existing program.
 _____ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
X _____ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
 _____ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
 _____ MINOR AMENDMENT - No change in approved position of _____. See comments below.
 _____ OTHER - See comments below.

COMMENTS:

The Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), in general, conform to the Internal Revenue Code (IRC) either by incorporating the IRC by reference as of a "specified date" or by stand alone language which mirrors the federal provision. California law is conformed to the IRC as of January 1, 1998, unless a specific provision provides otherwise. This bill would change the specified date from January 1, 1998, to January 1, 1999, for taxable and income years beginning on or after January 1, 1999. Changing the specified date automatically conforms to all changes from January 1, 1998, through December 31, 1998, to IRC sections that have been previously incorporated by reference. Thus, California law would conform to numerous changes made to federal income tax law by the IRS Restructuring and Reform Act of 1998 and certain other federal acts enacted during 1998.

The June 17, 1999, amendment made non-substantive technical changes affecting the election to deduct the cost of assets under Section 179 of the Internal Revenue Code for corporations and removed two co-authors.

Board Position:

_____ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
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Franchise Tax Board Staff
Date
Jeff Garnier
6/22/1999